16 July 1965

STAT

Subject: Contract -12846, Follow-On EMR Procurement P. O. #185328 with Sperry, Great Neck, New York

Dear Jerry:

Pursuant to our 15 July 1965 telecon the writer is pleased to forward for your information the following particulars concerning the subject procurement which is delinquent and becoming a cause for serious concern:

Order Placed: 10 September 1965

Type Order: Fixed Price

Amount: \$84,000.

Requirement: Nine (9) each power supplies to our

specification #323350.

Delivery: Originally Specified

One (1) unit on each of the following dates:

12/14/64, 3/8/65, 3/31, 4/30/ 5/31, 6/30, 7/31,

8/31, 9/30.

Present Promise One (1) unit approximately 7/23/65 and one (1)

unit on each of the following dates:

7/27 (or 8/12), 8/9 (or 8/23), 9/13, 9/27, 10/11,

10/25, 11/8 and 11/22 - Plus the addition of twelve (12) weeks for the unit we designate as

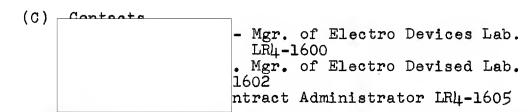
the qualification test unit.

DX-A7 Priority Assigned: 3/16/65 General:

- (A) Lack of confidence in Sperry for following reasons:
  - There have been numerous previous promised schedules which were not met.
  - Sperry is still having technical problems even with the relaxation(s) we have given to the original specification requirements.
  - Sperry is continuously changing or laying off 3. personnel working on this project which (in our opinion) has caused much of the schedule slip.
- Cost Information (Per Sperry) Spent to date \$210.000. Projected at completion expenditure \$350,000.

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Any assistance you might be able to offer will be sincerely appreciated. In the event additional information is required, do not hesitate to ask. Thank you.

Regards,

Fin